

***Remarks***

Reconsideration of this Application is respectfully requested.

Upon entry of the foregoing amendment, claims 11-13, 15-19, and 21-30 are pending in the application, with claims 11, 17, 18, 21, and 28 being the independent claims. Claim 20 is currently cancelled, and claims 1-10 and 14 were previously cancelled without prejudice to or disclaimer of the subject matter therein. Claims 16, 17, 18, 21, and 26 are sought to be amended. New claims 28-30 are sought to be added. Applicants reserve the right to prosecute similar or broader claims, with respect to the cancelled and amended claims, in the future. These changes are believed to introduce no new matter, and their entry is respectfully requested.

Based on the above amendment and the following remarks, Applicants respectfully request that the Examiner reconsider all outstanding objections and rejections and that they be withdrawn.

***Objections to the Specification***

At page 2 of the Office Action the Examiner objected to the specification as allegedly failing to provide proper antecedent basis for the claimed subject matter. Applicants respectfully traverse this objection.

With regards to claim 17, without acquiescing to the propriety of the objection, and merely to expedite prosecution, based on the amendments above Applicants respectfully request the Examiner reconsider and withdraw the objection. Support for

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amendments to claims 17 can be found, for example, at pages 17-18 of the originally filed specification and Figure 1.

Without acquiescing to the propriety of the rejection, Applicants have cancelled claim 20 rendering this objection moot.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the Objections to the Specification.

***Rejections under 35 U.S.C. § 112***

**35 U.S.C. § 112, First Paragraph**

At page 3 of the Office Action the Examiner rejected claim 17 under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the written description requirement. Applicants respectfully traverse this rejection.

With regards to claim 17, without acquiescing to the propriety of the rejection, and merely to expedite prosecution, based on the amendments above Applicants respectfully request the Examiner reconsider and withdraw the rejection. Additionally, at least based on their respective dependencies to claim 17, claims 23-27 should be found allowable.

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**35 U.S.C. § 112, Second Paragraph**

At page 4 of the Office Action the Examiner rejected claims 16, 17, 20, 23, and 26 under 35 U.S.C. § 112, second paragraph, as being allegedly indefinite. Applicants respectfully traverse this rejection.

Claims 16 and 26

Without acquiescing to the propriety of the rejection, Applicants have amended claims 16 and 26 for other reasons and to expedite prosecution. Claims 16 and 26 no longer recite "the services." Based on the amendments above, Applicants respectfully request the Examiner reconsider and withdraw the rejection

Claim 17

With regards to claim 17, without acquiescing to the propriety of the rejection, and merely to expedite prosecution, based on the amendments above Applicants respectfully request the Examiner reconsider and withdraw the rejection

Claim 20

Without acquiescing to the propriety of the rejection, Applicants have cancelled claim 20 rendering this rejection moot.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the 35 U.S.C. § 112, second paragraph rejection of claims 16, 17, 23, and 26 and pass these claims to allowance.

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***Rejections under 35 U.S.C. § 101***

At page 5 of the Office Action the Examiner rejected claims 20-21 under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Applicants respectfully traverse this rejection.

**Claim 20**

Without acquiescing to the propriety of the rejection, Applicants have cancelled claim 20 rendering this rejection moot.

**Claim 21**

With regards to claim 21, a "tangible computer-readable medium" is clearly described in the originally filed specification and shown in the Figures as, e.g., storage means MEM 1 or MEM 2 shown in Figures 1 and 2 and described, e.g., on pages 10-11 of the originally filed specification. This portion of the originally filed specification clearly supports a tangible computer-readable medium because information stored in MEM 1 and MEM 1 are read by or accessed a host computer HC, as any skilled artisan would understand from reading the specification. Further, this portion of the originally filed specification clearly does not explicitly or implicitly disclose that MEM 1 or MEM 2 could be carrier waves, as speculatively alleged by the Examiner, as any skilled artisan would understand from reading the specification.. Further, the claims and specification clearly tie the steps to a statutory class, and thus are clearly not functional per se.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the 35 U.S.C. § 101 rejection of claim 21 and pass this claim to allowance.

***Rejections under 35 U.S.C. § 103***

**Claims 11, 17, and 21**

At page 7 of the Office Action the Examiner rejected claims 11, 17 and 21 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Japanese Patent Number 2000-76336 to Fukuo Taro ("Taro") in view of U.S. Patent Application Publication Number 2001/0001877 to French *et al.* ("French"). Applicants respectfully traverse this rejection.

***A. The Applied Reference Lack Being Able to Complete a Transaction Before Performing Authentication***

Claims 11, 17, and 21 recite features that distinguish over the applied references. For example, claim 11 recites, *inter alia*, "performing authentication of the user for the transaction ***after completing the transaction*** when a second one of the authentication level is determined," claim 17 recites, *inter alia*, "wherein authentication of the user is performed for the transaction ***after completing the transaction*** when a second one of the authentication level is determined," and claim 21 recites, *inter alia*, "performing authentication of the user for the transaction ***after completing the transaction*** when a second one of the authentication level is determined."

French discloses that "[a]nother object of the invention is to provide an authentication system and method that perform a first level of authentication based on a first type of information and, based on the results of the first level of authentication, determine whether to perform at least a second level of authentication using another type of information." (French, ¶ [0010].) In contrast, claims 11, 17, and 21 recite performing authentication before or after a transactions based on an authentication chosen "based on

a parameter of the transaction," not performing a first and then maybe a second level of authentication, as required by French.

French also discloses that:

[t]he user is initially requested to provide a first type of identification information. The first type of information is preferably *wallet-type information*, that is, information such as name, address, driver's license or other information that may be commonly carried on the person. *This information is transmitted to the authentication server which carries out a first level authentication process on that information.*

*That first level authentication process compares the degree of match between the user-supplied first type of information and known data about the user from other sources.* At the completion of this first level authentication process, the authentication server may allow the requested access, allow the requested access with restriction, refuse access or proceed to another level of authentication.

Preferably, *the second and any additional levels of authentication request a second, non-wallet type of information from the user. The second type of information is preferably based on comparatively private information that only the user would know.* For example, the second type of information may include mortgage loan or other information obtained from a credit report or another source. Such information is typically not carried with a person, and therefore the chances of fraud by someone who obtains lost or stolen information and attempts to execute a transaction are reduced. (French, ¶ [0023] - [0025].)

Thus, French discloses a "first level of authentication" that "compares the degree of match between the user-supplied first type of information and known data about the user from other sources" and a "second level of authentication" that is "based on comparatively private information that only the user would know." French does not teach timing of the authentication, as recited in at least the above-noted distinguishing features of claims 11, 17, and 21. Rather, French teaches that a first authentication is

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always performed before completing the transaction, and that possibly a second level of authentication may be needed based on user information.

French discloses that "lower risk transactions such as relatively small purchases **may not require an extensive authentication process**. On the other hand, more sensitive or greater risk transactions such as large purchases or sensitive data access may require a more thorough authentication process and a greater level of security." (French, ¶ [0021].) Thus, French clearly teaches that even for small purchases authentication is required **before completing** the transaction, which is in contrast to at least the above noted distinguishing features of claims 11, 17, and 21.

At page 7 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Taro teaches "receiving a first request, from a service device, for information regarding authentication of a user, wherein the first request is in response to a transaction at the service device." However, the Examiner does not use Taro to teach, nor does Taro teach, at least the above noted distinguishing features of claims 11, 17, and 21. Thus, Taro cannot be used to cure the deficiencies of French. Therefore, the applied references cannot be used to establish a prima facie case of obviousness for claims 11, 17, and 21.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the 35 U.S.C. § 103(a) rejection of claims 11, 17, and 21 and pass these claims to allowance.

***B. The Applied References Lack Determining Authentication Level Required for a Transaction Based on a Parameter of the Transaction***

Claims 11, 17, and 21 recite features that distinguish over the applied references. For example, claim 11 recites, *inter alia*, "determining an authentication level required for the transaction ***based on a parameter of the transaction***," claim 17 recites, *inter alia*, "a determining device operable to determine an authentication level required for the transaction ***based on a parameter of the transaction***," and claim 21 recites, *inter alia*, "determining an authentication level required for the transaction based on a parameter of the transaction."

As shown above, French in paragraphs 0010 and 0023-0025 discloses a "first level of authentication" that "compares the degree of match between the user-supplied first type of information and known data about the user from other sources" and a "second level of authentication" that is "based on comparatively private information that only the user would know." French does not teach "determining an authentication level required for the transaction ***based on a parameter of the transaction***," claim 17 recites, *inter alia*, "a determining device operable to determine an authentication level required for the transaction ***based on a parameter of the transaction***," and claim 21 recites, *inter alia*, "determining an authentication level required for the transaction based on a parameter of the transaction. Rather, French teaches that level of authentication may be needed ***based on user information***."

Also, as discussed above, French discloses that "lower risk transactions such as relatively small purchases ***may not require an extensive authentication process***. On the other hand, more sensitive or greater risk transactions such as large purchases or



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sensitive data access may require a more thorough authentication process and a greater level of security." (French, ¶ [0021].) However, French does not disclose using a "greater level of security" for "large purchases" based on the amount of the purchase, as recited in the claims. Rather, French merely states that "large purchases" require a "greater level of security" (i.e., the "second level of authentication" that is "based on comparatively private information that only the user would know").

At page 7 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Taro teaches "receiving a first request, from a service device, for information regarding authentication of a user, wherein the first request is in response to a transaction at the service device." However, the Examiner does not use Taro to teach, nor does Taro teach, at least the above noted distinguishing features of claims 11, 17, and 21. Thus, Taro cannot be used to cure the deficiencies of French. Therefore, the applied references cannot be used to establish a *prima facie* case of obviousness for claims 11, 17, and 21.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the 35 U.S.C. § 103(a) rejection of claims 11, 17, and 21 and pass these claims to allowance.

#### **Claims 12 and 22-24**

At page 9 of the Office Action the Examiner rejected claims 12 and 22-24 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Taro in view of French, and further in view of Japanese Patent Number 2000-92236 to Shuichi *et al.* ("Shuichi"). Applicants respectfully traverse this rejection.

At page 10 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Shuichi teaches "a mobile communication device which transmits a user ID to a host communications device to a demand." However, the Examiner does not use Shuichi to teach, nor does Shuichi teach, at least the above noted distinguishing features of claims 11 and 17. Thus, Shuichi cannot be used to cure the deficiencies of Taro and French. Therefore, the applied references cannot be used to establish a prima facie case of obviousness for claims 11 and 17.

Accordingly, at least based on their respective dependencies to claims 11 and 17, claims 12 and 22-24 should be found allowable over the applied references, as well as for their additional distinguishing features.

**Claims 13 and 25**

At page 12 of the Office Action the Examiner rejected claims 13 and 23 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Taro in view of French, and further in view of Shuichi and Japanese Patent Number 06-215009 to Shunichi ("Shunichi"). Applicants respectfully traverse this rejection.

At page 12 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Shunichi teaches "receiving from the service device information regarding current services provided." However, the Examiner does not use Shunichi to teach, nor does Shunichi teach, at least the above noted distinguishing features of claims 11 and 17. Thus, Shunichi cannot be used to cure the deficiencies of Taro, French, and Shuichi. Therefore, the applied references cannot be used to establish a prima facie case of obviousness for claims 11 and 17.

Accordingly, at least based on their respective dependencies to claims 11 and 17, claims 13 and 25 should be found allowable over the applied references, as well as for their additional distinguishing features.

**Claims 15, 16, 26, and 27**

At page 13 of the Office Action the Examiner rejected claims 15, 16, 26, and 27 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Taro in view of French, and further in view of Shunichi. Applicants respectfully traverse this rejection.

At page 13 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Shunichi teaches "comparing the parameter of the transaction with a parameter o a past transaction provided." However, the Examiner does not use Shunichi to teach, nor does Shunichi teach, at least the above noted distinguishing features of claims 11 and 17. Thus, Shunichi cannot be used to cure the deficiencies of Taro and French. Therefore, the applied references cannot be used to establish a prima facie case of obviousness for claims 11 and 17.

Accordingly, at least based on their respective dependencies to claims 11 and 17, claims 15, 16, 26, and 27 should be found allowable over the applied references, as well as for their additional distinguishing features.

**Claims 18-20**

At page 15 of the Office Action the Examiner rejected claims 18-20 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Shuichi in view of Taro and further in view of French. Applicants respectfully traverse this rejection.

Without acquiescing to the propriety of the rejection, Applicants have cancelled claim 20 rendering its rejection moot

Without acquiescing to the propriety of the rejection, Applicants have amended claim 18 for other reasons and to expedite prosecution. Claim 18 recites features that distinguish over the applied references. For example, claim 18 recites, *inter alia*, "a plurality of *independent* authentication levels."

French discloses that "[a]nother object of the invention is to provide an authentication system and method that perform a first level of authentication based on a first type of information and, *based on the results of the first level of authentication, determine whether to perform at least a second level of authentication* using another type of information." (French, ¶ [0010].)

Thus, the "authentication levels" in French are not "a plurality of *independent* authentication levels," as recited by claim 18. Rather, in French, "a second level of authentication" is "*based on the results of the first level of authentication.*"

At page 15 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Shuichi teaches "a receiver operable to receive, from a host computer, a request for information regarding authentication of a user," and at page 16 of the Office Action the Examiner states, to which Applicants do not acquiesce, that Taro teaches "a

request for information regarding authentication of a user at [a] service device, wherein the request is in response to a transaction at the service device." However, the Examiner does not use Shuichi or Taro to teach, nor do Shuichi or Taro teach, at least the above noted distinguishing features of claim 18. Thus, Shuichi and Taro cannot be used to cure the deficiencies of French. Therefore, the applied references cannot be used to establish a prima facie case of obviousness for claim 18.

Accordingly, Applicants respectfully request that the Examiner reconsider and withdraw the 35 U.S.C. § 103(a) rejection of claim 18 and pass the claim to allowance. Additionally, at least based on its dependency to claim 18, claim 19 should be found allowable over the applied references, as well as for its additional distinguishing features.

#### ***New Claims 28-30***

Claim 28 recites features that distinguish over the applied references. For example, claim 28 recites, *inter alia*, "**setting an authentication level based on the price** of the product or service to be purchased by the customer." The applied references do not teach or suggest "**selecting an authentication level based on the price** of the product or service to be purchased by the customer," as recited by claim 28. Accordingly, Applicants respectfully request that the Examiner pass claim 28 to allowance. Claims 29 and 30 depend from claim 28 and include all features therein. Therefore, at least based on their respective dependencies to claim 28, claims 29 and 30 should be found allowable over the applied references, as well as for their additional distinguishing features.

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***Conclusion***

All of the stated grounds of objection and rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider all presently outstanding objections and rejections and that they be withdrawn. Applicants believe that a full and complete reply has been made to the outstanding Office Action and, as such, the present application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

Prompt and favorable consideration of this Amendment and Reply is respectfully requested.

Respectfully submitted,

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